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U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

BY:

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16 UNITED STATES DISTRICT COURT
17 SOUTHERN DISTRICT OF CALIFORNIA

18 JPA FURNITURE INC., ON BEHALF OF)
19 ITSELF AND ALL OTHERS SIMILARLY)
20 SITUATED,)

21 Plaintiff,)

22 v.)

23 GLOBAL CHECK SVC.,)

24 Defendant.)

25 CASE NO. 08 CV 0978 BEN BLM

26 CLASS ACTION

27 COMPLAINT

28 JURY TRIAL DEMANDED

CR

NATURE OF THE ACTION

1. Plaintiff JPA Furniture Inc. ("plaintiff" or "JPA Furniture") brings this action individually and on behalf of all others similarly situated, to seek redress for defendant Global Check Svc.'s ("defendant" or "Global Check") violations of: the California Unfair Competition Law, Section 17200 of the California Business and Professions Code; the California Consumer Legal Remedies Act, Section 1750 *et. seq.* of the California Civil Code; the common law of unjust enrichment, as well to seek redress for defendant's breach of contract. Plaintiff operates a number of furniture stores known by their business trade name as "The 99 Dollar Furniture Store." As part of its business operations, plaintiff entered into a contract with defendant pursuant to which defendant was to provide plaintiff with Accounts Receivable Conversion and Check Guarantee services. Pursuant to the terms of this standard contract, plaintiff was to pay Global Check a pre-set fee for each check processing transaction, and was also subject to a minimum charge during the term of the contract. Despite this agreement, during the term of the contract, Global Check sent plaintiff and similarly situated customers of defendant a letter in which Global Check informed its customers that it had unilaterally imposed a change of terms to the contract, including, but not limited to, an increase in the processing fees that it would charge per transaction. When JPA Furniture complained and attempted to exit the contract (now that its terms had been unilaterally altered by defendant), Global Check informed JPA that it would still be liable for the minimum fees under the contract, regardless of whether Global Check had changed the contractual terms to which the parties had agreed. Global Check also indicated that any cancellation by JPA Furniture would result in a cancellation penalty being imposed. Any and all attempts by JPA Furniture to either restore the contract to the actually agreed-upon terms or to cancel the contract were soundly rebuffed by Global Check. Because the foregoing represents a standard form contract drafted by defendant as well as a standard form of practice by Global Check against customers similarly situated to JPA Furniture, plaintiff brings this action as a class action to seek redress on behalf of itself and all others similarly situated.

1 PARTIES

2 2. Plaintiff JPA Furniture Inc. is a corporation organized under the laws of the State of
3 Arizona, and having its principal place of business at 1860 W. Broadway Road, in Mesa, Arizona
4 85202. Plaintiff operates a number of furniture and accessory stores in Arizona. As part of its
5 business operations, on or about June 2006, plaintiff entered into a contract with defendant Global
6 Check, pursuant to which Global Check was to provide Accounts Receivable Conversion and check
7 guarantee services for plaintiff. A copy of this standard language contract that was drafted by
8 Global Check is attached hereto as Exhibit 1 to this complaint.

9 3. Defendant Global Check Svc. is, upon information and belief, a corporation
10 organized under the laws of the State of California, and having its principal place of business at 266
11 S. Magnolia Avenue, Suite 201 in El Cajon, California 92020. Global Check is engaged in the
12 business of, *inter alia*, providing account receivable conversion and check guarantee services to
13 retailers and other merchants. Global Check touts itself as being the "leader in the Check Protection
14 Industry" and as "servic[ing] thousands of quality reputable businesses throughout the U.S. and
15 Canada." On or about June 2006, Global Check entered into a contract with JPA Furniture to
16 provide accounts receivable conversion and check guarantee services to plaintiff. After the parties
17 executed and had performed under the terms of the contract, Global Check sent plaintiff and, upon
18 information and belief, similarly situated merchants, a notice indicating that Global Check had
19 unilaterally implemented changes to the parties' agreement, including the fees that would be
20 charged by Global Check and the procedures that plaintiff would be required to follow to obtain
21 Global Check's services.

22 JURISDICTION AND VENUE

23 4. This Court has personal jurisdiction over defendant, as defendant is located and has
24 its principal place of business within this judicial district. Further, this Court has personal
25 jurisdiction over both parties because both have agreed to a forum selection clause submitting
26 themselves to the jurisdiction of this Court to resolve any legal disputes arising out of their
27 agreement. Venue is similarly proper in this Court because: defendant is located within this judicial
28

1 district: it transacts business within this judicial district; and, all acts complained of arose and were
2 directed from within this judicial district.

3 5. Counts I-IV of the Complaint allege claims for violations of the California Unfair
4 Competition Law, California's Civil Remedies Act, breach of contract, and the common law of
5 unjust enrichment, respectively, and all seek to represent a national class of customers of defendant
6 Global Check on whom, during the Class Period defined herein, defendant unilaterally imposed a
7 change of terms to their contractual agreement while these putative class members were parties to a
8 contract with defendant. As such, this Court has subject-matter jurisdiction over this class action
9 complaint pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. Section 1332(d) (as
10 amended 2005).

11 **THE SERVICES OFFERED BY DEFENDANT**

12 6. Defendant provides Accounts Receivable Conversion ("ARC") and check
13 guarantee services to contracting merchants. As more fully described below, these services cater to
14 retailers that accept check payments from their customers by, *inter alia*, allowing the customer to
15 spread their check payment for the purchased merchandise over a number of payments, while also,
16 under certain circumstances, guaranteeing to the merchant payment for the check purchase. In
17 return for its services, Global Check charges the merchant a "per transaction" fee, as well as a
18 minimum or monthly fees during the term of Global Check's contract with the merchant.

19 7. Global Check's ARC and check guarantee programs essentially function like a
20 payment plan that is offered to allow customers of the contracting merchants to purchase
21 merchandise over a period of time. The check guarantee portion of defendant's program, moreover,
22 serves to ensure that, assuming certain circumstances are met, defendant will guarantee payment to
23 the merchant for the amount of the original transaction, should the customer's checks subsequently
24 be dishonored.

25 8. According to Global Check's sales brochure, a pertinent portion of which is attached
26 hereto as Exhibit 2, its Accounts Receivable Conversion services work by: allowing a merchant's
27 customer to purchase an item of merchandise; pay by check; take possession of the merchandise
28 upon the sale; yet, be permitted to spread the payment for the merchandise over a 90-day period

1 through the use of several checks. For its part, upon receiving the appropriate information from its
2 contracting merchant (including an ARC agreement signed by the purchasing customer, driver's
3 license for the purchasing customer, and copies of the checks used by the purchasing customer).
4 Global Check provides the merchant an approval code, which can either be in the form of a "G"
5 (Guaranteed), "V" (Verified), or "D" (Declined). If Global Check issues a "G" (Guaranteed) code,
6 the funds are guaranteed by Global Check to the merchant. If Global Check issues a "V" (Verified)
7 code, the funds are verified, and although not guaranteed by Global Check, it will assist the
8 merchant in collecting the fees if the customer's check is later dishonored. If Global Check issues a
9 "D" code, the customer has been declined or rejected for participation in Global Check's ARC
10 program, and Global Check will not process the transaction.

11 9. As is further explained in Global Check's written sales presentations to its
12 merchants, Global Check charges the merchant a one-time initial setup fee of \$500 (and \$250 for
13 additional locations). In addition, Global Check charges the merchant a fee for each ARC
14 Conversion and Guarantee transaction that it processes. Global Check also charges its contracting
15 merchants a minimum monthly fee, regardless of the number of transactions processed.

16 **THE BOILERPLATE GLOBAL CHECK CONTRACT**

17 10. On or about June 2006, plaintiff executed a contract ("the Contract"), pursuant to
18 which it agreed to receive ARC and check guarantee services from defendant Global Check. A copy
19 of that executed contract is attached hereto as Exhibit 3. The Contract is a standard-form boilerplate
20 agreement drafted by defendant.

21 11. The Contract provides the terms under which defendant was to provide ARC and
22 check guarantee services and pursuant to which plaintiff was to compensate defendant.

23 12. Under the terms of the Contract, plaintiff was to be charged a fee totaling 1.39
24 percent of each ARC Conversion & Guarantee transaction performed by defendant. The Contract
25 also provided that a monthly fee of \$ 0.20 would be charged by defendant for each "inquiry" made
26 by plaintiff of defendant. Lastly, the Contract provided that plaintiff would be liable for a \$5.00
27 monthly fee for each month of the Contract. See Exhibit 3, at § 5.
28

1 13. The Contract also contained a prominent disclaimer to the Fee Schedule section,
2 providing that "No part of this document may be waived or altered." *Id.*

3 14. Despite the inclusion of this explicit fee schedule and this unambiguous disclaimer,
4 the Contract also provided, in a different section, that "[m]erchant shall receive via mail fee
5 schedule and operating instructions. If schedule differs from below, use or installation constitutes
6 acceptance of schedule." *Id.* at § 1.

7 15. Following its execution of the Contract, plaintiff began using defendant's services
8 and was charged according to the terms of the Contract.

9 **DEFENDANT'S SUBSEQUENT UNILATERAL CHANGE TO THE TERMS OF THE**
10 **EXECUTED CONTRACT**

11 16. Several months after plaintiff executed the Contract and well after he began using
12 defendant's services, he, like all other similarly situated merchants received a form letter from
13 defendant. A copy of that form letter is attached hereto as Exhibit 4.

14 17. Defendant's undated letter informed JPA Furniture that, "[t]his letter is to introduce
15 new procedures and changes to the existing ARC program." *See* Ex. 4. Among the "new
16 procedures" and "changes to the existing ARC program" that defendant unilaterally purported to
17 impose, the letter described that, effective November 1, 2007, defendant would henceforth
18 implement a "near removal of V code items." *Id.* As such, Global Check would no longer offer a
19 "V" (Verified) code, pursuant to which it previously had assisted in the collection of these non-
20 guaranteed funds, should the customer's checks alter be dishonored.

21 18. More troubling, however, is that defendant's letter also purported to unilaterally
22 impose a change to defendant's pricing and fee schedule. As the letter provided, "In order to
23 provide the desired level of service some changes were made to procedures and pricing. These are
24 outlined below. These changes will go into [sic] effect Nov 1st." (*Id.*). Among the changes to
25 defendant's pricing that Global Check was now unilaterally imposing on JPA Furniture and
26 similarly situated merchants were that: "[t]he current rate will increase by 3.7%. This is to cover the
27 level of service desired." The letter further provided that "[t]he monthly fee will increase %5.00 for
28 those merchants who have been on service over a year." The letter also provided that "[t]he

1 monthly minimum will increase \$5.00 for those merchants who have been on service over a year.”

2 (*Id.*).

3 19. At no time did plaintiff agree to these unilaterally imposed changes—changes that
4 directly contradicted the express terms of the Contract previously executed by plaintiff.

5 **PLAINTIFF'S ATTEMPT TO EXIT THE CONTRACT IN LIGHT OF DEFENDANT'S**
6 **UNILATERALLY IMPOSED CHANGES, AND DEFENDANT'S REACTION**

7 20. In light of these material changes purportedly being imposed unilaterally by Global
8 Check in contravention of the prior agreement, plaintiff immediately contacted defendant to inform
9 Global Check that JPA Furniture did not accept these changes, and consequently was opting to
10 terminate the parties' agreement. By letter dated, November 1, 2007, which is attached hereto as
11 Exhibit 5, plaintiff's owner wrote Global Check, informing defendant that, “[e]ffective today
12 November 1, 2007 we will no longer utilize the ARC-90 day program and check conversion as
13 agreed in our contracts. We will not pay any cancellation fee; the rate increase you have made is not
14 feasible for us or our customer [sic] to bear.” (Ex. 5). In the same letter, plaintiff assured Global
15 Check that “[w]e will continue to provide you with any and all information requested to help with
16 collections of any and all funds transfers.” (*Id.*). JPA Furniture's letter also demanded from
17 defendant to, “[p]lease fax a letter of acceptance for the termination of the ARC program and Check
18 Conversion Processor through Global.” (*Id.*).

19 21. Rather than accept JPA Furniture's letter, defendant informed JPA Furniture that
20 they could not exit the Contract, regardless of the material and unilateral changes that Global Check
21 had imposed. Global Check instead informed JPA Furniture that it would continue to accrue and be
22 debited monthly minimum fees in the amount of \$25.00 per month, and that if JPA Furniture
23 “terminated” the Contract during its pending term, it would be assessed a \$200.00 forfeiture penalty,
24 which Global Check would automatically deduct from plaintiff's account.

25 22. When the principals of JPA Furniture called to complain and follow up on their
26 letter, Global Check's sales representative dismissed their complaints derisively, laughed at them,
27 and told them, in effect, that Global Check could do whatever it wanted.

28

23. Since defendant's unilateral imposition of its price changes, JPA Furniture has not used defendant's ARC or Check Guarantee services for any new transactions. Nevertheless, as a result of Global Check's unilateral imposition of the changes to the Contract, plaintiff's continue to be debited by Global Check \$25.00 each month for monthly and/or minimum monthly fees. Further, Global Check continues to assert that it will debit and directly deduct \$200.00 from plaintiff's account, should JPA Furniture persist on exiting the agreement between the parties (an agreement that Global Check has entirely altered and dishonored).

24. Plaintiff, therefore, is effectively held economically hostage to defendant's
unilaterally whim, being debited monthly fees for a service that it no longer uses and to whose
altered terms it never agreed.

25. All the foregoing is made all the more burdensome on plaintiff because in order to obtain Global Check's services in the first instance, it expended significant money in leasing check reading machines that defendant indicated were necessary to obtain its services.

14 CLASS ACTION ALLEGATIONS

26. Pursuant to Federal Rule of Civil Procedure 23 and to Section 1781 of the California Civil Code, plaintiff seeks to bring this action as a class action on behalf of all similarly situated contracting customers of defendant Global Check who, during the class period and during the terms of their contracts were subjected to a fee increase or other contractual change of terms imposed by defendant. The class period spans from June 6, 2004 and going forward until this matter is resolved.

21 27. Class certification of this action is appropriate because the number of affected class
22 members is too numerous so as to make joinder impracticable. Although the precise number of
23 affected class members is presently unknown to plaintiff, based on defendant's representation that
24 "Global Check proudly services thousands of quality reputable businesses throughout the U.S. and
25 Canada," plaintiff believes that there are a sufficient number of putative class members to satisfy the
26 numerosity requirement for class certification.

28. Class certification is also appropriate because this action raises a question of general interest affecting all putative class members; namely, whether defendant's practice of unilaterally imposing fee increases and other contractual changes while a contract purportedly existed between Global Check and contracting merchants is an unfair business practice, a violation of the Consumer Legal Remedies Act, a breach of contract, or otherwise violates the common law of unjust enrichment.

29. Plaintiff is a proper and typical class representative to represent the interests of the absent class members. Plaintiff is a member of the class, and the harm it sustained as well as the relief it seeks is co-extensive with that of all absent class members. Specifically, plaintiff alleges that, while under a purportedly governing contract with Global Check, defendant imposed upon plaintiff a fee increase and other contractual term changes, and that that action represents an unfair business practice, a violation of the Consumer Legal Remedies Act, a breach of contract, and/or unjust enrichment. Plaintiff has retained competent counsel, experienced in class action and consumer litigation to prosecute this action on behalf of the class.

15 COUNT I

16 **(UNFAIR BUSINESS PRACTICE UNDER CALIFORNIA UNFAIR COMPETITION LAW,
SECTION 17200 *ET. SEQ.* OF CALIFORNIA BUSINESS AND PROFESSIONS CODE)**

18 30. Plaintiff hereby incorporates by reference every allegation of this Complaint with the
19 same force and effect as if it had been fully restated herein.

31. Defendant's practice of imposing a fee increase on subscribers who were under a purportedly governing contract with defendant amounts to an unfair, unlawful, and/or deceptive business practice within the meaning of California's Business and Professions Code, Section 17200 *et. seq.* of the California Business and Professions Code.

24 32. Plaintiff and the members of the class it seeks to represent all conveyed money to
25 defendant. Thus, plaintiff and the class members all have been injured by being forced to pay
26 defendant either increased monthly subscription fees, increased monthly, and/or increased minimum
27 monthly fees that defendant had no legal basis to collect or impose. As such, plaintiff and the class

1 members have standing to and do hereby seek an order of restitution restoring to them these excess
2 fees paid to defendant.

3 33. Plaintiff and the class members also have standing to and do hereby seek an order
4 declaring defendant's practice to be in violation of the California Unfair Competition Law.
5 enjoining defendant from imposing or collecting any increased fees that are not itemized in the
6 contract signed by the class members, and requiring defendant to restore any increased fees
7 collected to the aggrieved class members.

8 34. Plaintiff and the class members also have standing to and do hereby seek an order
9 directing defendant to pay plaintiff's attorneys' fees and costs of suit.

10 **COUNT II**

11 **(CONSUMER LEGAL REMEDIES ACT, SECTION 1750 ET. SEQ. OF THE CALIFORNIA**
12 **BUSINESS AND PROFESSIONS CODE)**

13 35. Plaintiff hereby incorporates by reference every allegation of this Complaint with the
14 same force and effect as if it had been fully restated herein.

15 36. Defendant's practices, as alleged herein, violate the Consumer Legal Remedies Act,
16 including but not limited to Sections 1770(9), 1770(14), and 1770(19) of the California Civil Code.

17 37. Defendant's violations of the Consumer Legal Remedies Act have injured and
18 damaged plaintiff and the members of the class it seeks to represent by imposing upon them
19 increased fees and changed contractual terms that defendant had no legal authority to impose or
20 collect.

21 38. Plaintiff will provide written notice and demand to defendant as is required under the
22 California Civil Code prior to seeking monetary damages for redress of these CLRA violation, and
23 will amend this Complaint to include a plea for money damages as redress for these CLRA
24 violations, once this communication and demand is made. Until such time, plaintiff's CLRA count
25 seeks solely injunctive and declaratory relief.

26 39. Pursuant to Section 1781 of the California Civil Code, plaintiff brings this action as a
27 class action on behalf of all similarly situated contracting customers of defendant Global Check
28 who, during the class period and during the terms of their contracts were subjected to a fee increase

1 or other contractual change of terms imposed by defendant. Plaintiff seeks recovery of its and the
2 class members' actual damages (or alternatively, statutory damages), as well as declaratory and
3 injunctive relief, including a declaration that defendant's practices violate the Consumer Legal
4 Remedies Act, enjoining defendant from imposing or collecting fee increases during the pendency
5 of governing contracts with subscribers, restoring all moneys paid by plaintiff and the class
6 members in the form of improper and/or unlawful subscription fee increases to plaintiff and the
7 class members, as well as any other relief that the Court deems just and proper.

8 40. Because defendant's position is so clearly baseless and without merit or any legal
9 justification, and because defendant has used this baseless interpretation of their agreements with
10 their subscribers to effectively extort fee increases from plaintiff and the class members, plaintiff
11 also seeks an award of punitive damages against defendant pursuant to Section 1780(a)(4) of the
12 California Civil Code.

13 41. Plaintiff is also entitled to and hereby seeks an order directing defendant to pay
14 plaintiff's reasonable attorneys' fees and costs of suit, as awarded by the Court, pursuant to Section
15 1780(d) of the California Civil Code.

16 COUNT III

17 (BREACH OF CONTRACT)

18 42. Plaintiff hereby incorporates by reference every allegation of this Complaint with the
19 same force and effect as if it had been fully restated herein.

20 43. Defendant's act of unilaterally imposing a change to the services it provided and the
21 fees it would charge for its services, even while plaintiff and the class members were under a
22 governing contract with defendant, amounts to a material breach of Global Check's contracts with
23 plaintiff and the class members. By operation of law, defendant's contracts with plaintiff and the
24 class members also were subject to an implied covenant of good faith and fair dealing. Defendant's
25 actions, as alleged herein, also independently amount to a breach of this implied covenant, and
26 hence a breach of contract.

27 44. There is no legal excuse or justification for defendant's breach.
28

4 46. Plaintiff has performed all of its obligations under the Contract.

5 47. Plaintiff is entitled to compensatory and consequential damages for defendant's
6 breach.

7 48. Plaintiff is entitled to punitive damages for defendant's conduct in baselessly
8 imposing a unilateral change of contract terms to extort money from its contract merchants.

9 COUNT IV
0 (COMMON LAW OF UNJUST ENRICHMENT)

1 49. Plaintiff hereby incorporates by reference every allegation of this Complaint with the
2 same force and effect as if it had been fully restated herein.

3 50. Plaintiff and the class members all conferred a benefit on defendant in the form of
4 money paid to defendant.

5 51. Defendant appreciated these benefits conveyed upon it by plaintiff and the class
6 members, as defendant, *inter alia*, reported in its advertisements as to the many merchants that it
7 served.

52. Given that defendant had no legal authority to collect the increased fees from plaintiff and the class members, it would be inequitable to permit defendant to keep these benefits (in the form of increased fees paid by plaintiff and the class members), as it would unjustly enrich defendant at the expense of plaintiff and the class members.

53. Plaintiff and the class members are, therefore, entitled to and do hereby seek an order directing defendant to disgorge its ill-gotten gains conveyed upon them by plaintiff and the class members. Plaintiff also seeks an order directing payment of plaintiff's attorneys' fees and costs of suit, as awarded by the Court, under the common fund or common benefit doctrine, as well as any other relief that the Court deems just and proper.

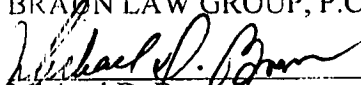
PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for an order from this Court directing the following:

- a. designating plaintiff and his counsel as class representative and class counsel, respectively;
- b. entering judgment in favor of plaintiff and the class, and against defendant, on all counts;
- c. directing that this action may be maintained as a class action before this Court on behalf of the class pleaded herein;
- d. awarding plaintiff and the class members their actual damages, or alternatively statutory damages;
- e. directing that defendant restore to plaintiff and the class members the moneys paid by them to defendant in the form of transaction, minimum, and/or monthly minimum fee increases, and/or early cancellation fees;
- f. directing that defendant disgorge its ill-gotten gains;
- g. ordering that defendant be liable for punitive damages as determined by the fact-finder;
- h. declaring defendant's conduct unlawful, unfair business and/or deceptive practices, and enjoining defendant from continuing the practices complained of herein;
- i. directing that defendant pay plaintiff's attorneys' fees and costs of suit, as awarded by the Court; and,
- j. awarding such other relief as the Court deems just and proper.

Plaintiff demands a jury trial on all counts so triable.

Dated: June 2, 2008

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Counsel for Plaintiff

EXHIBIT 1

GLOBAL CHECK

ACCOUNTS RECEIVABLE CONVERSION

Sales code

Phone 800-988-6221 Fax 800-651-2219

Start Date

Global Check 266 S Magnolia ave. #201 El Cajon, Ca 92022 (GCS) and the undersigned merchant agree as follows:

1. **TERM** The term of this agreement shall be annual beginning on the date signed. Contract renews at the end of each term unless a written notice is received within 30 days of end of term. If terminated during the course thereof fees for the remainder of obligation are due upon termination. In the event of a merchant's breach of any condition of prior authorizations shall be made null and void with the merchant possibly terminated from service. The merchant agrees to approve all checks received at time of sale with customer physically present using instructions provided by GCS. Merchant shall receive via mail fee schedule and operating instructions. If schedule differs from below, use or installation constitutes acceptance of schedule.

2. **GUARANTEE** GCS will purchase all approved checks returned to merchant drawn on U.S. institutions for the face value which conforms to the following with the check image and receipt received by GCS within three days of request.

- 2.1 The check is made payable to the business name for purchase of goods/services sold in the normal course of business.
- 2.2 The customer's name (a printed) and physical address are imprinted on the check with customer's signature and merchant's endorsement.
- 2.3 The full day time telephone number and drivers license or state issued ID with expiration date after being reviewed must be legibly written on check.
- 2.4 Merchant has not accepted subsequent payment in any form the dishonored check in full or part including but not limited to cash, check, service performed, trade, or return of item dishonored check was written for. In the event of received payment merchant shall notify GCS immediately.
- 2.5 Two party, signature irregular, GCS declined, previously bank returned, stop, temporary, counterfeited, stolen, for cash, authorizations voided, or authorized, and checks known at time of sale to be uncollectible may be considered counterfeiting and subject to verification program.
- 2.6 Merchant shall provide GCS with any reasonable information pertaining to any check when requested.
- 2.7 Limits may be set for single check and/or total monthly claim amounts for a period of ninety days upon commencement of service. Limitations are based on business type, average monthly check amounts, and total value of monthly check returns that are over the executive price rate.
- 2.8 Any or all guaranteed checks may be changed back in the event any fraud or disruption from merchant is discovered before or after payment.

3. **ARC CONVERSION:** GCS will convert checks processed through F.O.B. equipment to electronic debit/credits subject to the following conditions. Guarantee service is included with conversion service provided "per check" not 0%.

- 3.1 All conditions of guarantee program apply to conversion service as outlined in section 2 and payments as outlined in section 4.
- 3.2 Unless otherwise noted merchant account deposits occur 24 to 72 hours from bank clearing. Funds clearing occurs on the date specified in the transaction.
- 3.3 Deposits made will be total check amount minus fees due for conversion and/or guarantee service, and prior charge backs if any.
- 3.4 If a customer's check is charged back to GCS for any reason merchant will respond to returned request from GCS for same within 5 days. In addition, payment of funds for checks may be held back or reversed to cover charge backs until guaranteed status is determined. Merchant guarantees the availability of funds to cover charge backs. If a guaranteed check, payment is subject to actual loss.
- 3.5 Merchant guarantees each one ARC conversion authorization will be completed and signed by the actual account holder in person at the time of sale.
- 3.6 Monetary funds may be set for single check and daily deposit amounts. These funds may include additional fees in deposit.
- 3.7 Merchant is required to follow instructions given by GCS. Any change back due to failure to follow instructions will not be guaranteed.
- 3.8 In the event of termination of agreement by either party funds due merchant may be held and/or defined from merchant's account to cover potential charge backs. These amounts will not exceed one month's check volume and are based on compliance and charge back history.
- 3.9 Merchant guarantees proper customer notification will be given prior to converting checks to debit. Additionally merchant will permit customers to opt out if customer requests same.
- 3.10 Merchant shall use a check image provided by the sales associate to convert checks. After business days have passed from date of conversion original checks shall be destroyed in a manner as to avoid customer information from being disseminated to any third party.
- 3.11 Merchant will cooperate fully with agents or employees of GCS in the recovery of returned items.
- 3.12 Merchant agrees to abide by and be bound to the rules and regulations of NACHA, and any other entity having authority to regulate or in any way control the use of the ARC service.

4. **STATEMENT:** Payments due merchant are sent with statement on or about the 10/25th of each month. Activity statements are available via internet at www.globalcheck.com. If internet access not available statements will be provided via mail upon request.

5. **FEE SCHEDULE** One time installation fee _____ One time application fee _____ (To be made payable to sales rep)

Select Service \$ per check Inquiry Monthly fee Monthly Minimum

ARC Conversion no Guarantee \$0.00

ARC Conversion & Guarantee 1.3¢ 1.20 5.00 A

Leave no spaces Mark

No part of this document may be waived or altered. The monthly fee is due each month beginning on the date signed. A percent per check and per check inquiry is charged on each check authorization attempt. Percent per check is the face value of the check times "PER CHECK" above. Monthly minimum is the minimum amount charged each month for the percent per check and per check inquiry combined on all checks authorized each month. Monthly fee, percent per check, inquiry, and monthly minimum fees will be debited on or about the first of each month for the prior month's activity. The executive price rate is five percent of total dollar value. Merchant grants GCS irrevocable authority to debit fees due from merchant's account/transaction as is necessary to perform this agreement from the date signed to a date that is ninety days after either the last transaction or end of term, which ever is greater. GCS may initiate credit entries as well for payments received for merchant. A ten dollar fee will apply for each debit returned by merchant's bank. Other fees if any will be provided with a written notice. On termination/assignment checks may be returned or purchased by GCS. Both parties agree the jurisdiction and venue shall be in San Diego county California for legal disputes if any arising from this agreement. GCS shall not be liable for items lost in mail service. In the event of default/late payment by merchant it is agreed that damages due GCS from merchant will be the greater of the amount of the fraud or one thousand dollars. Merchant agrees and accepts all terms and conditions here in.

OWNER NAME: Pamela A. JARA BUSINESS NAME: JPA FURNITURE T & C

SIGNATURE/DATE: [Signature] 1/4/10 LOCATION ADDRESS: 1860 W. BROADWAY RD.

SSN: 030 511 518 CITY/STATE/ZIP: MESA, AZ, 85202

Average/Low/High Check: 200/100/100 PHONE/FAX: (480) 615-0346 (480) 615-1155

Product or service sold: FURNITURE Terminal / Check Reader: _____
PLEASE INCLUDE A COPY OF A VOIDED BUSINESS CHECK MERCHANT TO RETAIN YELLOW COPY

EXHIBIT 2

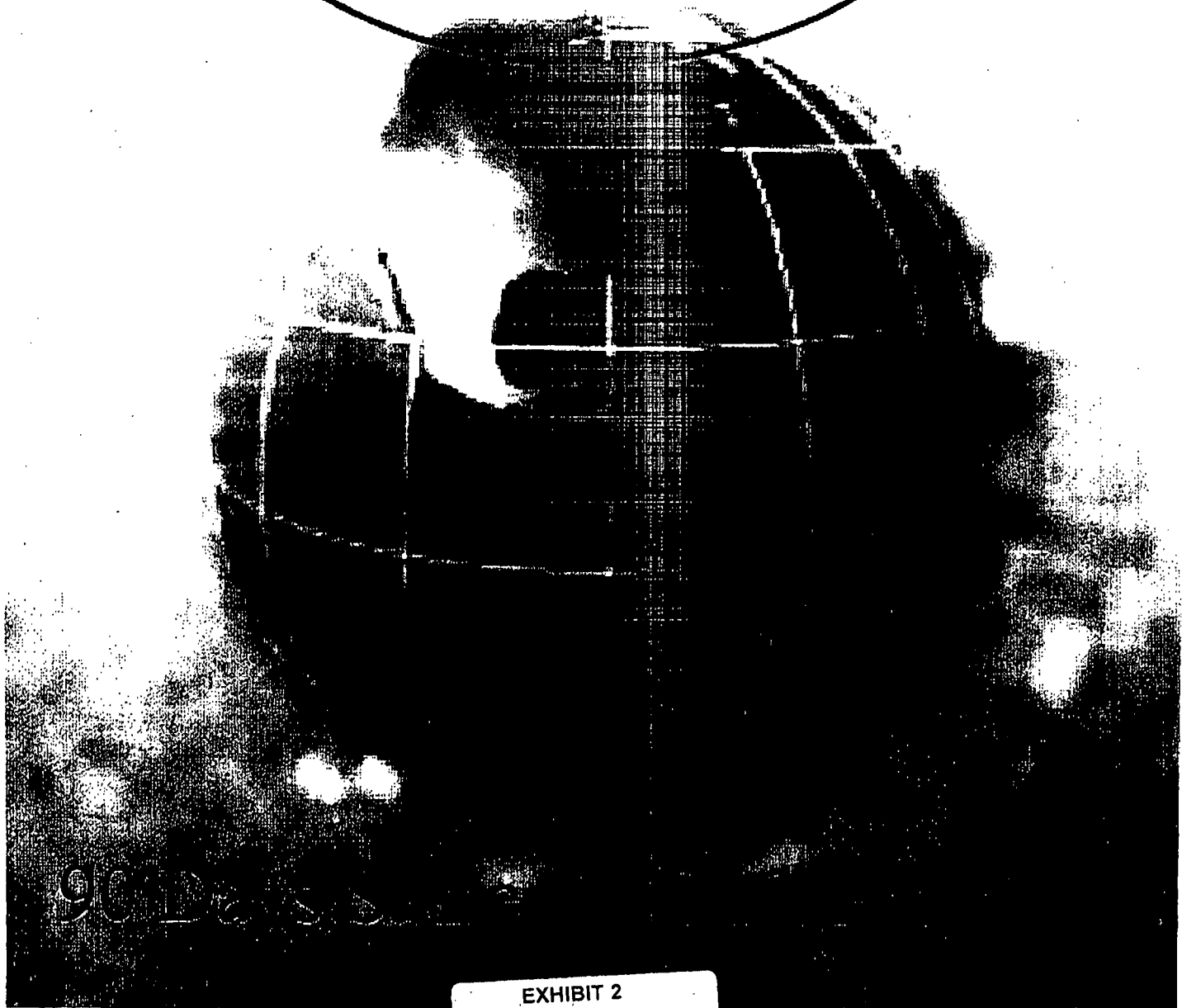
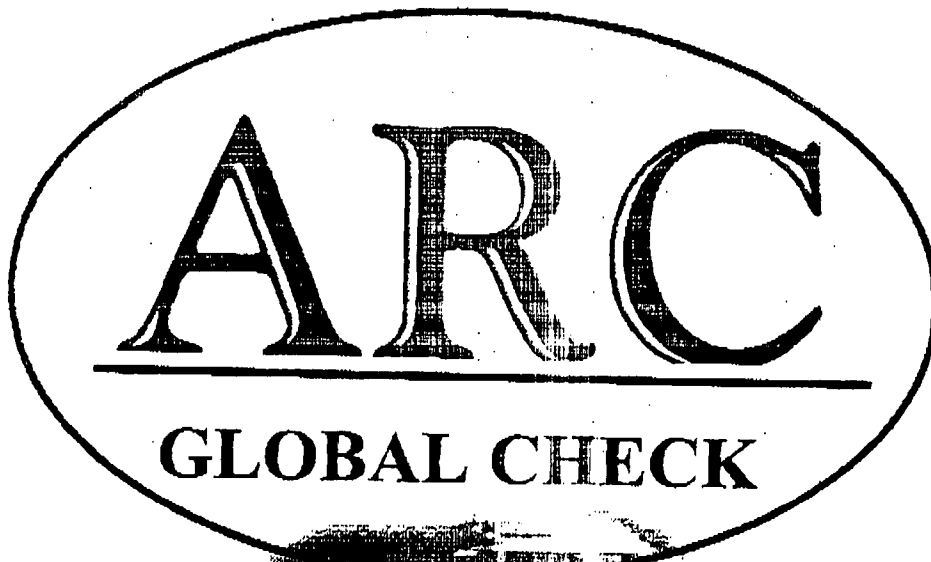
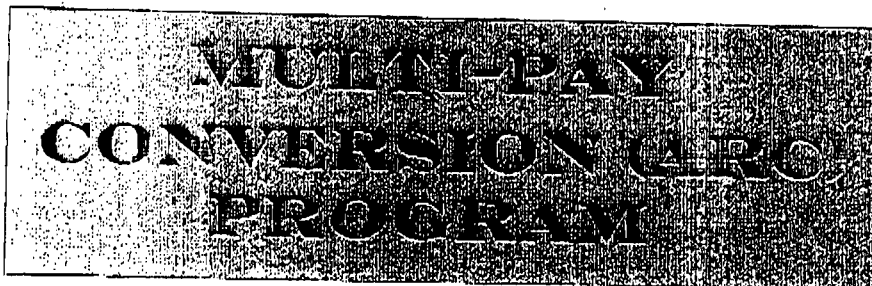
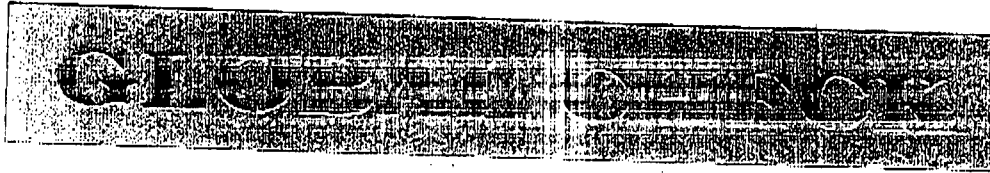
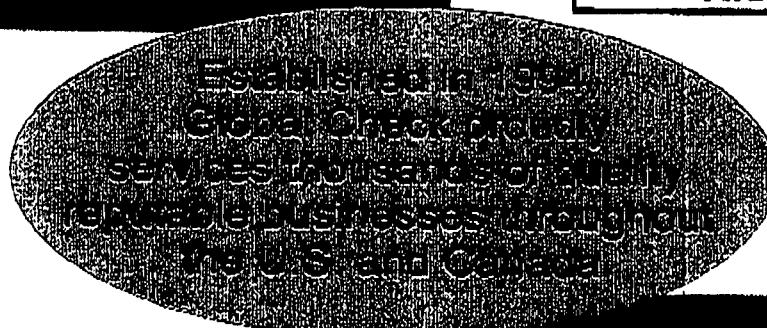
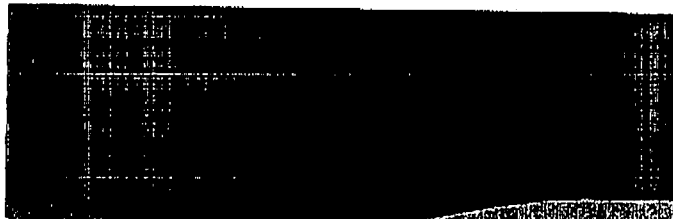


EXHIBIT 2
PAGE 15



WHO IS GLOBAL CHECK?



What is the Multi-Pay Conversion (ARC) Program?

The Multi-pay conversion program is a program that allows the customer 90 days payment option via Account Receivable Conversion (ARC).

This means that a customer can take the item home TODAY and have up to 90 days to pay for it.

- * **No Credit Checks!**
- * **Fast Approvals**
- * **Guaranteed Funds**

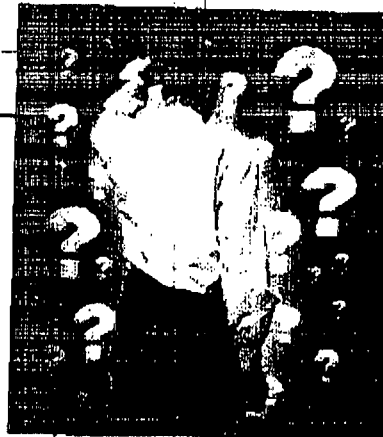
What is ARC?

Account Receivable Conversion (ARC) is a recurring payment that is programmed to ACH the customers bank account for the agreed upon dates and amounts.

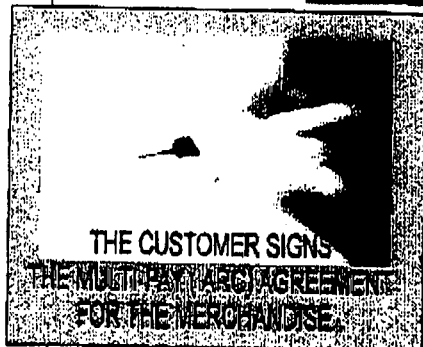
ARC is simple conversion except the business tells us when to convert the checks.

How does the process work?

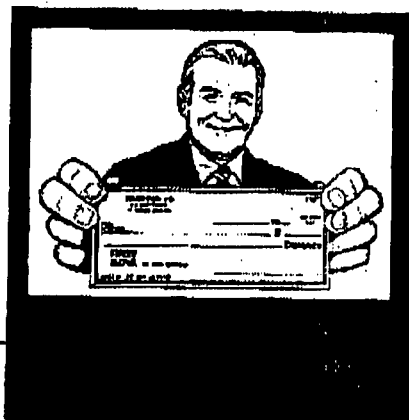
The process
is easy as
1... 2... 3...



THE MERCHANDISE



THE CUSTOMER SIGNS
THE MULTIPARTY AGREEMENT
FOR THE MERCHANDISE.

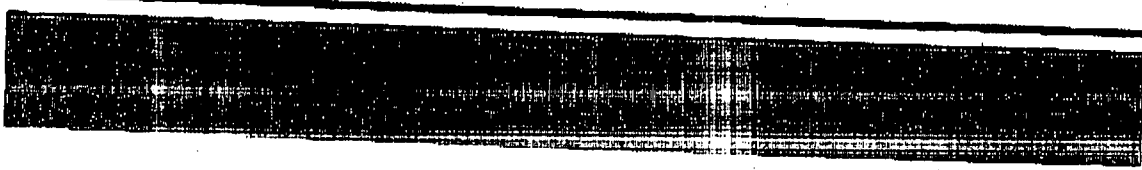


THE BUSINESS
OWNER RUNS THE
CHECKS THROUGH
A CHECK IMAGER
FOR ALL APPROVALS.

THEN KEYS THE
AMOUNTS AND DATES
OF CONVERSION.


FINALLY, WRITES
ALL APPROVALS,
DATES, AND AMOUNTS
ON THE AGREEMENT.

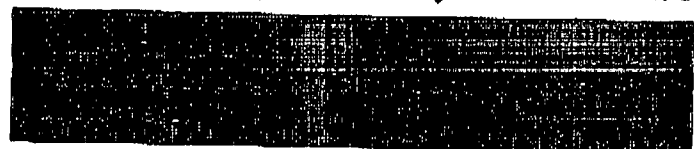


- 
- You Can charge a \$25.00 Flex Payment Fee per check!
 - Make a **\$100.00 Bonus** every time this system is used!
(If the customer uses 4 checks over 90 days.)

- **WITH NO RISK TO YOU!**

The affordable cost is passed on to your customers.



- Develop a long term relationship with all your Customers.
- 

WHAT ARE THE BENEFITS?

Each check can be written for a maximum of \$2500.00.

Accept an unlimited number of checks within the 90 days.

View statements online in real time.

If an ACH bounces - G.C. will attempt to collect the funds from the customers bank account or fund the business on the 10th or the 25th of the month, whichever occurs first.

The Flex Pay Fee of \$25.00

**\$1000
Purchase**



**4
C
H
E
C
K
S**



\$25



\$25



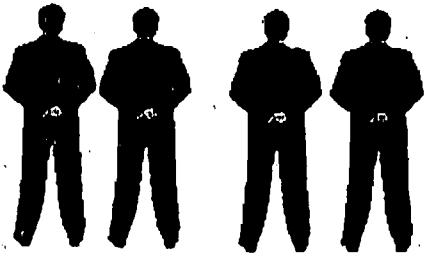
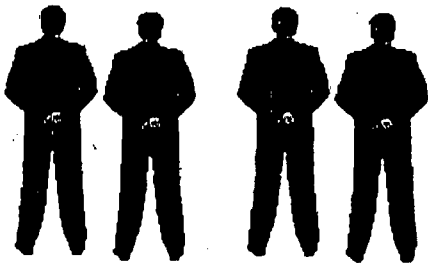
\$25



\$25

\$100
Extra Money
Per Month
on
One ARC
Agreement

2 Customers a week equals
8 Customers a month and
4 Flex Pay Fees equals \$800.00.



$$8 \times \$100 = \$800$$

Flex Pay Fee Bonuses Per Month

$$\$800 \times 12 \text{ Months} = \$9600$$

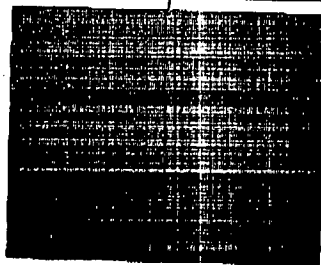
Flex Pay Fee Bonuses Per Year

SAMPLE PURCHASE OF \$1000.00

This sample
Purchase is without
the Flex-pay Fee
Various Transaction
Combinations
Dollar amounts flowing
From left to right

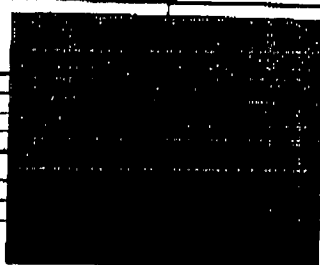
Check #1021

1st



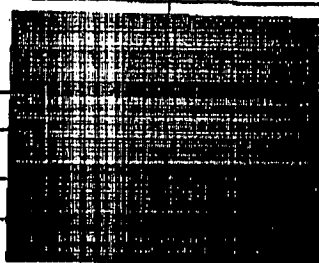
Check #1022

30th



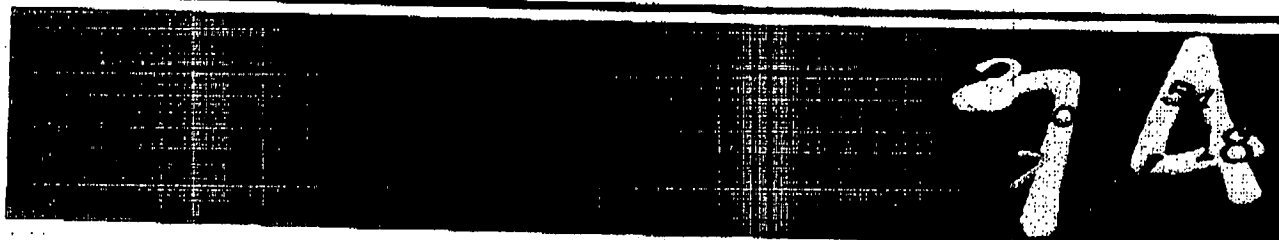
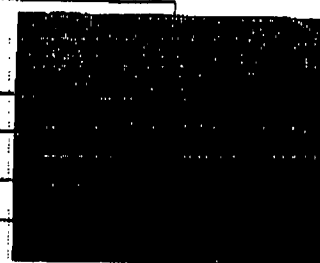
Check #1023

60th



Check #1024

90th



2003 to 2004, \$39.3 trillion dollars in checks were circulated.

45% of all consumers where checkwriters.

The national average check was \$1070.50

Checks are still the #1 form of payment.

You cannot afford to miss this opportunity

THE CODES & MORE.....

I have the capability to view accounts in real time that are on the VISA Net work.

Sample Code 1234G

If approved with a "G" code the Merchant's funds are **Guaranteed.**

The Merchant will receive their funds usually within **24 to 72 hours.....**

**Predicated Upon
(*) Merchant Compliance.**

3

After scanning the check, the information will proceed to the Visa Network for approval. If declined by the Visa Network, the information proceeds to the NCN. If rejected by the N.C.N., G.C.S. will review the information for approval.

4

"G"

RECEIVING INFORMATION

1

6

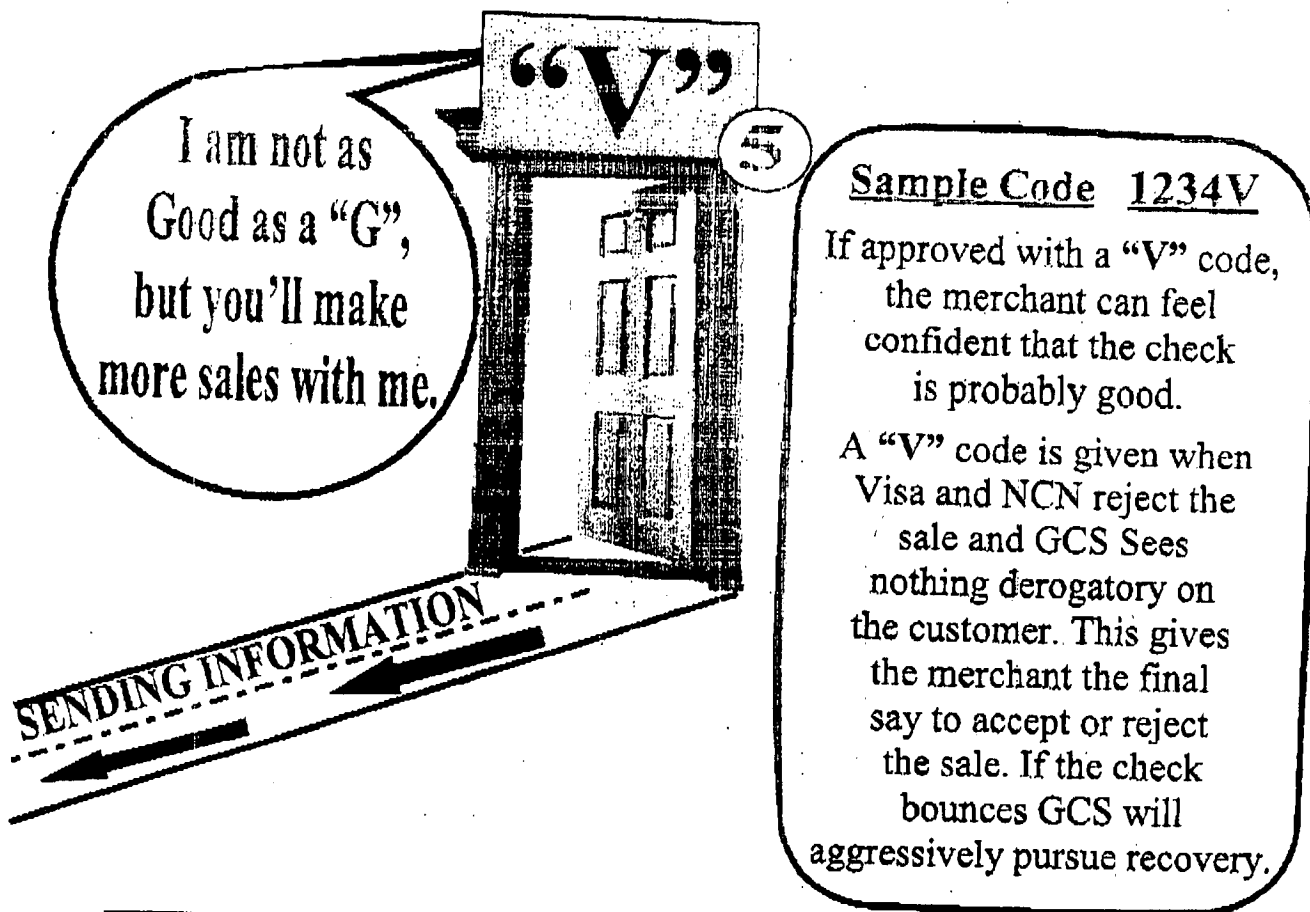
The Codes appear on the receipt from the Terminals.

GCS

NCN

VISA

2



I am not as
Good as a "G",
but you'll make
more sales with me.

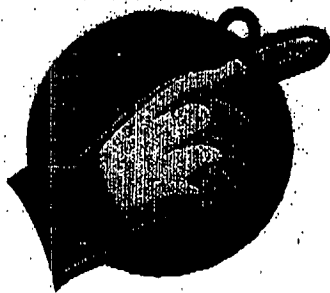
"V"

Sample Code 1234V

If approved with a "V" code,
the merchant can feel
confident that the check
is probably good.

A "V" code is given when
Visa and NCN reject the
sale and GCS Sees
nothing derogatory on
the customer. This gives
the merchant the final
say to accept or reject
the sale. If the check
bounces GCS will
aggressively pursue recovery.

SENDING INFORMATION

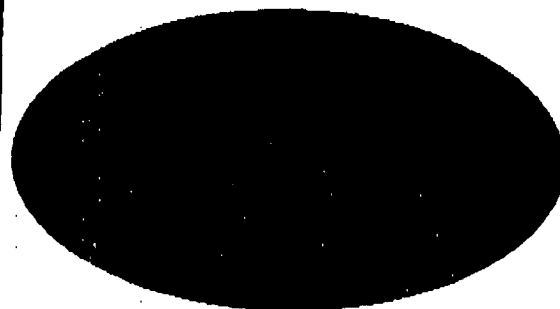
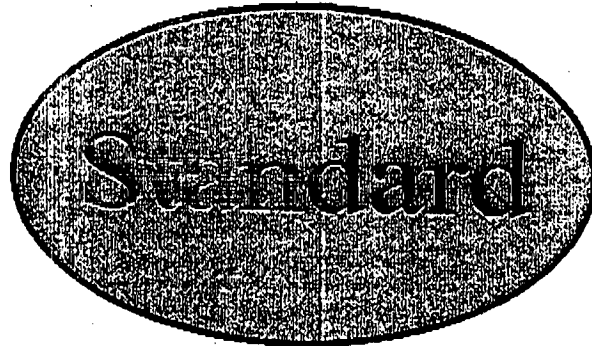


At this time **33%** of Banks are
on the VISA Network.

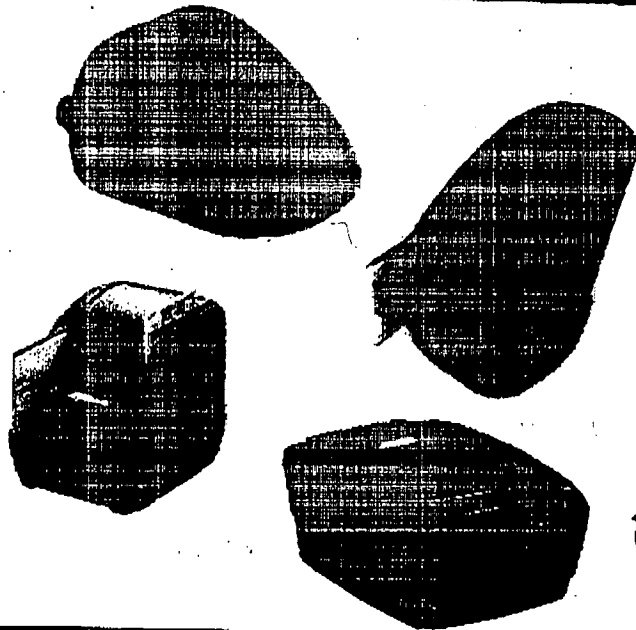
The number of Banks on this
Network is growing annually.

(*) CHARGE BACKS

A charge back may occur if the transaction was a result
of any form of fraud. Merchants may avoid charge backs by
adhering to Global Check Service contractual procedures .



ARC'S EQUIPMENT



Check Imagers

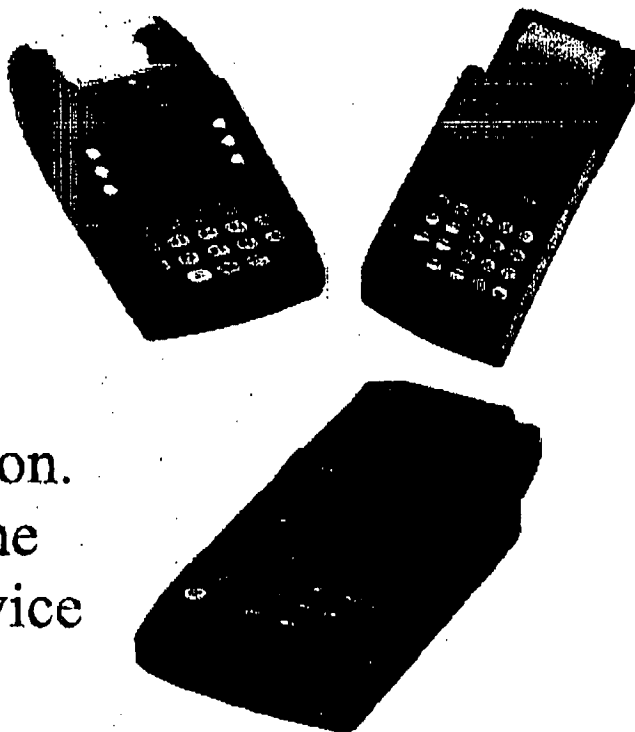
This equipment scans and takes a picture of the checks.

The images are sent to Global Check Service.

Nurit Terminals

This equipment stores the conversion dates, check amounts, and customer's I.D. information.

The terminal sends all the data to Global Check Service for approvals.



THE 90-DAY (ARC) PAYMENT PLAN

BROUGHT TO YOU BY:

GLOBAL CHECK

NACHA
The National Automated Clearing House Association



Electronic Check
C o m m i t t e e

CHECK & PAYMENT
SOLUTIONS

© 2000 Global Check Svc. All registered trademarks/trade names belong to their respective owners.
© 2005 Check Payment Solutions is an independent provider of application processing services. All Rights Reserved

WHO IS GLOBAL CHECK SVC?

Global Check Svc.

is the leader in the check protection industry. Since 1994 they have served thousands of businesses throughout the U.S. and Canada.

EXHIBIT 2
PAGE 27

GLOBAL CHECK

NACHA
National Automated Clearing House Association

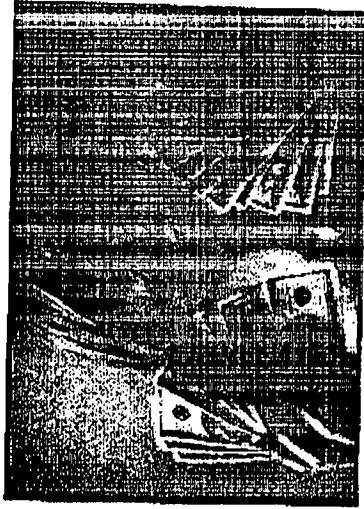


Electronic Check
CLEARING

CHECKS-2-PAYMENT

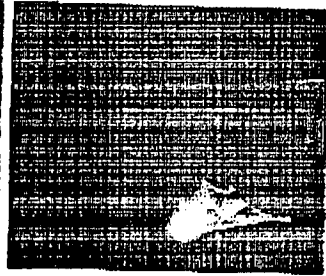
In a Dream World....

HAVE \$CASH\$!!!



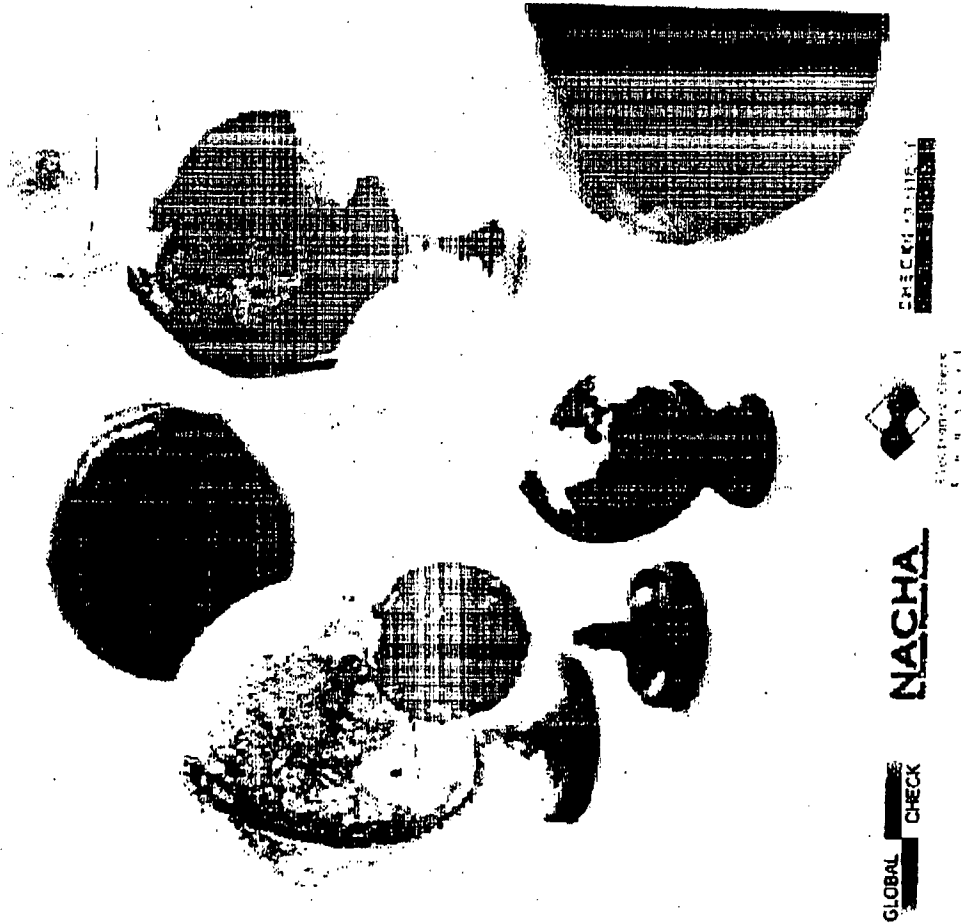
**WOULD BE NIK
GUARANTEE!**

POOR CREDIT!



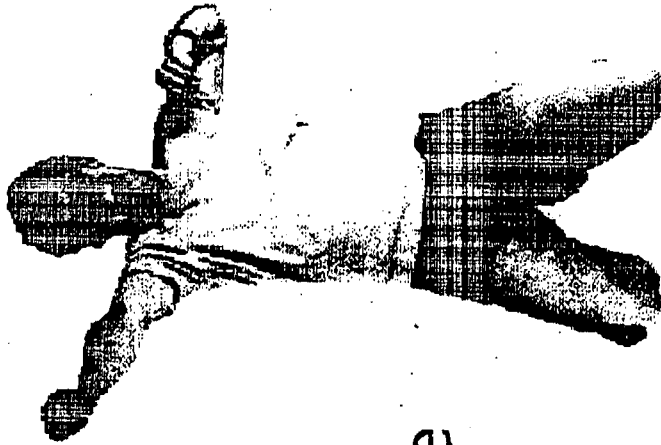
THAT WORLD DOES NOT EXIST THAT'S WHY GLOBAL CHECK SVC CREATED...

EXHIBIT 2
PAGE 29



The (ARC) Payment Plan

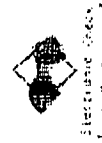
The (ARC) Payment Plan is a program that allows your customer 90-days payment option on your product or service via Account Receivable Conversion (ARC).



WHAT IS ARC?

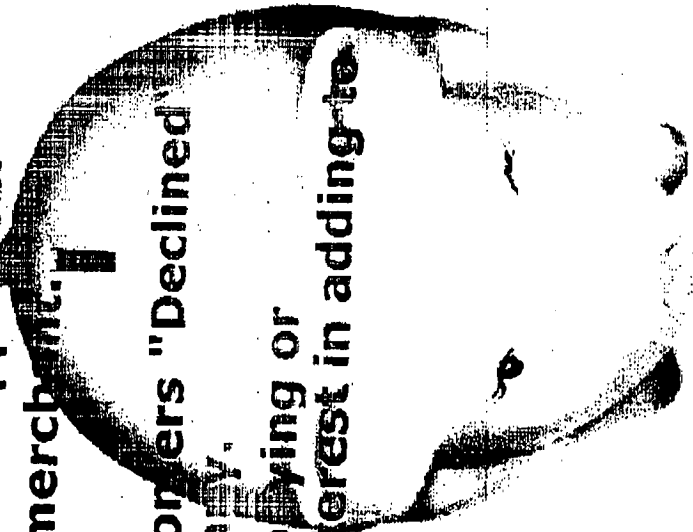
Accounts Receivable Conversion (ARC)
is a recurring payment that is
programmed to ACH your customer's bank
account for the agreed upon dates and
amounts.

EXHIBIT 2
PAGE 31



THE BENEFITS

- No Credit Checks to your Customers!
- 90% of no or bad credit customers are approved!
- Funds are Guaranteed to you...the merchant.
- Easy to set up, No Hassles!
- Great financing alternative for customers "Declined" from your traditional finance company.
- Also, great for customers who are buying or refinancing their home or has no interest in adding to their "good" credit.



[illegible]

EXHIBIT 2
PAGE 33

There are 3
different codes,
"G" Code, "V" Code
and
"D" Code.

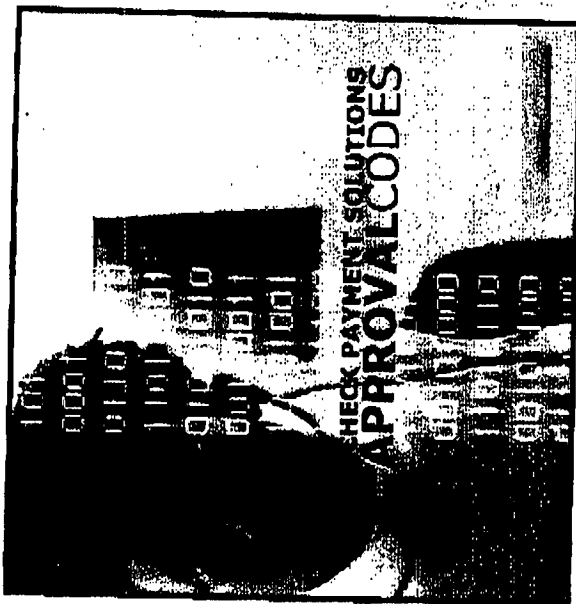
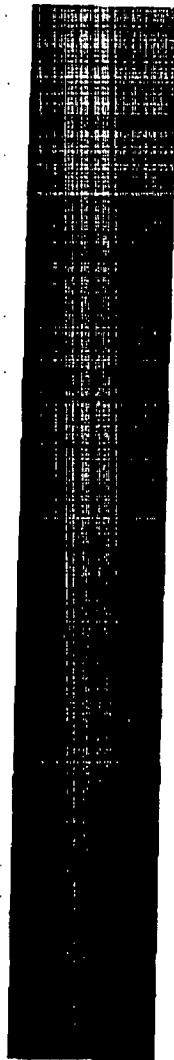
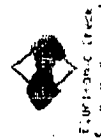


EXHIBIT 2
PAGE 34



GLOBAL CHECK

NACHA



CHECK 43111517

RATES & FEES

MERCHANT: CUSTOMER

ACCOUNT SET-UP

We charge each merchant an account set-up fee of \$500.00. (\$250 for additional locations)

SERVICE FEE

Your customers can expect a one-time service fee of \$75.00 when they set up for the ARC Payment Plan.

MERCHANT RATES / FEES

PER CHECK FEE
2.90% & .25 Per Check

STATEMENT FEE
\$10.00 a Month

Monthly Minimum
\$15.00 a Month



Now your capitalizing off of the "Declined" Customer!

GLOBAL CHECK

NACHA



CHECK 21

ELECTRONIC CHECK

THANK YOU

GLOBAL  **CHECK**

266 S. MAGNOLIA # 201/202

EL CAJON, CA 92020

(P) 800-988-6221 (F) 800-961-2219

www.globalcheck.com

support@globalcheck.com

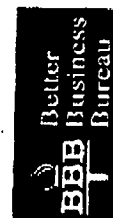
GLOBAL  **CHECK**

NACHA
The Electronic Payments Association



Electronic Check
C o n v e r t

CHECKS PAYMENT
SOLUTIONS



VISIT OUR SITE:

Coming Soon!

www.thecheckprogram.com

EXHIBIT 3

GLOBAL

CHECK

ACCOUNTS RECEIVABLE CONVERSION

Sales code _____

Phone 800-988-6221 Fax 800-961-2219

Start Date _____

Global Check 266 S Magnolia ave. #201 El Cajon, Ca 92022 (GCS) and the undersigned merchant agree as follows:

1. **TERM** The term of this agreement shall be annual beginning on the date signed. Contract renews at the end of each term unless a written notice is received within 30 days of end of term. If terminated during the course thereof fees for the remainder of obligation are due upon termination. In the event of a merchant's breach of any condition all prior authorizations shall be made null and void with the merchant possibly terminated from service. The merchant agrees to approve all checks received at time of sale with customer physically present using instructions provided by GCS. Merchant shall receive via mail fee schedule and operating instructions. If schedule differs from below, use or installation constitutes acceptance of schedule.

2. **GUARANTEE:** GCS will purchase all approved checks returned to merchant drawn on U.S. institutions for the face value which conform to the following with the check image and receipt received by GCS within three days of request.

- 2.1 The check is made payable to the business name for purchase of goods/services sold in the normal course of business.
- 2.2 The customer's name (a person) and physical address are imprinted on the check with customer's signature and merchant's endorsement.
- 2.3 The full day time telephone number and drivers license or state issued ID with expiration date after being reviewed must be legibly written on check.
- 2.4 Merchant has not accepted subsequent payment in any form for dishonored check in full or part including but not limited to cash, check, service performed, trade, or return of item dishonored check was written for. In the event of received payment merchant shall notify GCS immediately.
- 2.6 Two party, signature irregular, GCS declined, previously bank returned, stop, temporary, counterfeit, stolen, for cash, authorization revoked, not authorized, and checks known at time of sale to be nonnegotiable may be considered nonconforming and subject to verification program.
- 2.7 Merchant shall provide GCS with any reasonable information pertaining to any check when requested.
- 2.8 Limits may be set for single check and or total monthly claim amounts for a period of ninety days upon commencement of service. Limitations are based on business type, average/low/high check amounts, and total value of monthly check returns that are over the excessive return rate.

2.9 Any or all guaranteed checks may be charged back in the event any fraud or deception from merchant is discovered before or after payment.

3. **ARC CONVERSION:** GCS will convert checks processed through P.O.S. equipment to electronic debits/credits subject to the following conditions. Guarantee service is included with conversion service provided "per check" not 0%

- 3.1 All conditions of guarantee program apply to conversion service as outlined in section 2 and payments as outlined in section 4.
- 3.2 Unless otherwise noted merchant account deposits occur 24 to 72 hours from batch clearing. Batch clearing occurs on the date specified in the transaction.
- 3.3 Deposits made will be total check amount minus fees due for conversion and or guarantee service, and prior charge backs if any.
- 3.4 If a customer's check is charged back to GCS for any reason merchant will respond to retrieval request from GCS for same within 3 days. In addition, payment of funds for checks may be held back or reversed to cover charge backs until guaranteed status is determined. Merchant guarantees the availability of funds to cover charge backs. If a guaranteed check, payment is subject to section four.
- 3.5 Merchant guarantees each non ARC conversion authorization will be completed and signed by the actual account holder in person at the time of sale.
- 3.6 Monetary limits may be set for single check and daily deposit amounts. These limits may include additional time to deposit.
- 3.7 Merchant is required to follow instructions given by GCS. Any charge back due to failure to follow instructions will not be guaranteed.
- 3.8 In the event of termination of agreement by either party funds due merchant may be held and or debited from merchant's account to cover potential charge backs. These amounts will not exceed one month's check volume and are based on compliance and charge back history.
- 3.9 Merchant guarantees proper customer notification will be given prior to converting checks to debits. Additionally merchant will permit customers to opt out if customer requests same.
- 3.10 Merchant shall use a check image provided by the sales associate to convert checks. After fourteen days have lapsed from date of conversion original checks shall be destroyed in a manner as to avoid customer information from being disseminated to any third party.
- 3.11 Merchant will cooperate fully with agents or employees of GCS in the recovery of returned items.
- 3.12 Merchant agrees to abide by and be bound to the rules and regulations of NACHA and any other entity having authority to regulate or in any way control the use of the ARC service.

4. **STATEMENT:** Payments due merchant are sent with statement on or about the 10/26th of each month. Activity statements are available via Internet at www.globalcheck.com. If Internet access not available statements will be provided via mail upon request.

5. **FEE SCHEDULE** One time installation fee _____ One time application fee _____ (To be made payable to sales rep)

Select Service	\$ per check	Inquiry	Monthly fee	Monthly Minimum
ARC Conversion no Guarantee	0.00			
ARC Conversion & Guarantee	1.39	.20	5.00	4

Leave no spaces blank

No part of this document may be waived or altered. The monthly fee is due each month beginning on the date signed. A percent per check and per check inquiry is charged on each check authorization attempt. Percent per check is the face value of the check times "PER CHECK" above. Monthly minimum is the minimum amount charged each month for the percent per check and per check inquiry combined on all checks authorized each month. Monthly fee, percent per check, inquiry, and monthly minimum fees will be debited on or about the first of each month for the prior month's activity. The excessive return rate is five percent of total dollar value. Merchant grants GCS irrevocable authority to debit fees due from merchant's account/accounts as is necessary to perform this agreement from the date signed to a date that is ninety days after either the last transaction or end of term, which ever is greater. GCS may initiate credit entries as well for payments received for merchant. A ten dollar fee will apply for each debit rejected by merchant's bank. Other fees if any will be preceded with a written notice. On termination nonguaranteed checks may be returned or purchased by GCS. Both parties agree the jurisdiction and venue shall be in San Diego county California for legal disputes if any arising from this agreement. GCS shall not be liable for items lost in mail service. In the event of deliberate fraud by merchant it is agreed that damages due GCS from merchant will be the greater of the amount of the fraud or one thousand dollars. Merchant agrees and accepts all terms and conditions here in.

OWNER NAME: Pamela G. ALVARA BUSINESS NAME: JPA FURNITURE T & C

SIGNATURE/DATE: [Signature] 10/16/06 LOCATION ADDRESS: 1860 W. BROADWAY RD.

SSN: 030 511 518 CITY/STATE/ZIP: ME SA, AZ, 85212

Average/Low/High check 200 / 100 / 1000 PHONE/FAX (480) 615-0346 (480) 615-1155

Product or service sold FURNITURE Terminal / Check Reader _____

PLEASE INCLUDE A COPY OF A VOIDED BUSINESS CHECK

MERCHANT TO RETAIN YELLOW COPY

EXHIBIT 3

PAGE 37

EXHIBIT 4

GLOBAL CHECK

266 S. MAGNOLIA AVE # 201 EL CAJON, CA 92022 800-988-8221 fax 800-961-2219

JPA FURNITURE INC.
5380 W. BELL RD. STE. 154
GLENDALE, AZ 85308

This letter is to introduce new procedures and changes to the existing ARC program. The intent is to provide the level of service you desire. Many merchants expressed an opinion that the current program does not fit the needs of the stores using it. A few of those were the returns were too restrictive in so far as the claims procedures. Another was the issue of guaranteed items versus non-guaranteed items. The original intent of the program was to provide a finance option for customers who's credit rating was not in question. It appears it is primarily being used for customers who are not able to qualify for traditional financing. With that the risk is substantially higher. What we came up with is a simpler process and the near removal of V code items. In order to provide the desired level of service some changes were made to procedures and pricing. These are outlined below. These changes will go into affect Nov 1st.

PROCEDURE CHANGES.

1. We will be communicating with you more. With each document you send you will receive a confirmation fax in return. The return fax will confirm receipt of what you sent along with any items needing correction.
2. The Customer ARC Contract will be required. This form can be retrieved directly from www.globalcheck.com under the Merchant section. If you would like it to contain your company logo please contact us directly and we will arrange that for you. This form will need to be sent to us when we contact you about a claim.
3. More time will be given for you to respond to requests for information.
4. Higher return rates will be allowed prior to it affecting the guaranteed status of your claims.
5. Unless a check is forced through there will no longer be V codes attached to a transaction.
6. A new instruction card is available. This can be downloaded from www.globalcheck.com. Please refer to this for important information concerning procedures to be followed.

PRICING CHANGES.

1. The current rate will increase by 3.7% This is to cover the cost of providing the level of service desired.
2. The monthly fee will increase \$5.00 for those merchants who have been on service over a year.
3. The monthly minimum will increase \$5.00 for those merchants who have been on service over a year.

EXHIBIT 5



JPA Furniture Inc

November 1st, 2007

Global Check
266 S. Magnolia Ave 2nd Fl.
El Cajon, Ca 92020
Tracy Brown

re: Acct # 14465708

Effective today November 1st 2007 we will no longer utilize the ARC- 90 day program and check conversion, as agreed in our contracts. We will not pay any cancellation fee; the rate increase that you have made is not feasible for us or our customer to bear.

Our Merchant Number is as follows:

Company name is JPA Furniture Inc.

Mesa account #: 14465708

We expect you to honor all previous ARC deposits, at the fees that were agreed to.

Any additional charges or fees that are deducted from our accounts will be in direct violation of our contract, and will be dealt with accordingly.

We will continue to provide you with any and all information requested to help with collections of any and all funds transfers.

Please fax a letter of acceptance for the termination of our ARC program and Check Conversion Processor through Global.

Fax documentation directly to:
Mesa fax- 480-615-1155

Your prompt response is greatly appreciated.

Thank You,

A handwritten signature in black ink, appearing to read 'Pamela Allara', is written over a horizontal line.

Pamela Allara
Owner

ORIGINAL

JS 44 (Rev. 12/07)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

JPA FURNITURE INC., ON BEHALF OF ITSELF AND ALL OTHERS SIMILARLY SITUATED,

(b) County of Residence of First Listed Plaintiff Mesa, Arizona
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Braun Law Group, P.C., 12304 Santa Monica Bl., #109, Los Angeles, CA 90025; Tel. 310-442-7755; Fax: 310-442-7756

DEFENDANTS

GLOBAL CHECK SVC.

08 JUN -2 PM 12:43

08 CV 0978 BEN BLM

County of Residence of First Listed Defendant San Diego

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED BY: BL DEPUTY

Attorneys (If Known)

II. BASIS OF JURISDICTION

(Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☐ 3 Federal Question (U.S. Government Not a Party)
☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | |
|---|--|---|---|
| Citizen of This State | PTF <input type="checkbox"/> 1 DEF <input checked="" type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | PTF <input type="checkbox"/> 4 DEF <input type="checkbox"/> 4 |
| Citizen of Another State | <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 <input type="checkbox"/> 6 |

IV. NATURE OF SUIT

(Place an "X" in One Box Only)

<input type="checkbox"/> CONTRACTS	<input type="checkbox"/> PERSONAL INJURY	<input type="checkbox"/> PERSONAL INJURY	<input type="checkbox"/> FORFEITURE/PENALTY	<input type="checkbox"/> BANKRUPTCY	<input type="checkbox"/> OTHER STATUTES
<input type="checkbox"/> 110 Insurance	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 362 Personal Injury - Med. Malpractice	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 365 Personal Injury - Product Liability	<input type="checkbox"/> 620 Other Food & Drug	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 410 Antitrust
<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 424 Copyrights	<input type="checkbox"/> 430 Banks and Banking
<input type="checkbox"/> 140 Negotiable Instrument	<input type="checkbox"/> 330 Federal Employers' Liability	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 630 Liquor Laws	<input type="checkbox"/> 425 Trademark	<input type="checkbox"/> 450 Commerce
<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 640 R.R. & Truck	<input type="checkbox"/> 426 Patent	<input type="checkbox"/> 460 Deportation
<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 650 Airline Regs.	<input type="checkbox"/> 427 Copyrights	<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations
<input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 660 Occupational Safety/Health	<input type="checkbox"/> 428 Consumer Credit	<input type="checkbox"/> 480 Consumer Credit
<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 355 Motor Vehicle Product Liability		<input type="checkbox"/> 690 Other	<input type="checkbox"/> 429 Cable/Sat TV	<input type="checkbox"/> 490 Cable/Sat TV
<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 360 Other Personal Injury		<input type="checkbox"/> 710 Fair Labor Standards Act	<input type="checkbox"/> 430 Trademark	<input type="checkbox"/> 810 Selective Service
<input checked="" type="checkbox"/> 190 Other Contract			<input type="checkbox"/> 720 Labor/Mgmt. Relations	<input type="checkbox"/> 431 Copyrights	<input type="checkbox"/> 850 Securities/Commodities/Exchange
<input type="checkbox"/> 195 Contract Product Liability			<input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act	<input type="checkbox"/> 861 HIA (1395ff)	<input type="checkbox"/> 875 Customer Challenge 12 USC 3410
<input type="checkbox"/> 196 Franchise			<input type="checkbox"/> 740 Railway Labor Act	<input type="checkbox"/> 862 Black Lung (923)	<input type="checkbox"/> 890 Other Statutory Actions
			<input type="checkbox"/> 790 Other Labor Litigation	<input type="checkbox"/> 863 DIWC/DIWC (405(g))	<input type="checkbox"/> 891 Agricultural Acts
			<input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 864 SSID Title XVI	<input type="checkbox"/> 892 Economic Stabilization Act
				<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 893 Environmental Matters
					<input type="checkbox"/> 894 Energy Allocation Act
					<input type="checkbox"/> 895 Freedom of Information Act
					<input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice
					<input type="checkbox"/> 950 Constitutionality of State Statutes

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from another district (specify)
☐ 6 Multidistrict Litigation
☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing. (Do not cite jurisdictional statutes unless diversity):
CA Business & Professions Code § 17200; CA Civil Code 1750 et. seq.

Brief description of cause:

Violations of the CA Unfair Competition Law, CA Civil Remedies Act, Breach of Contract, etc. 28 U.S.C. 1332

VII. REQUESTED IN COMPLAINT:

☒ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:

Unknown at this time.

JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

06/02/2008

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT #

151446

AMOUNT

350.00

APPLYING IFP

JUDGE

MAG. JUDGE

6/2/08

CR